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## *Budget Summaries*

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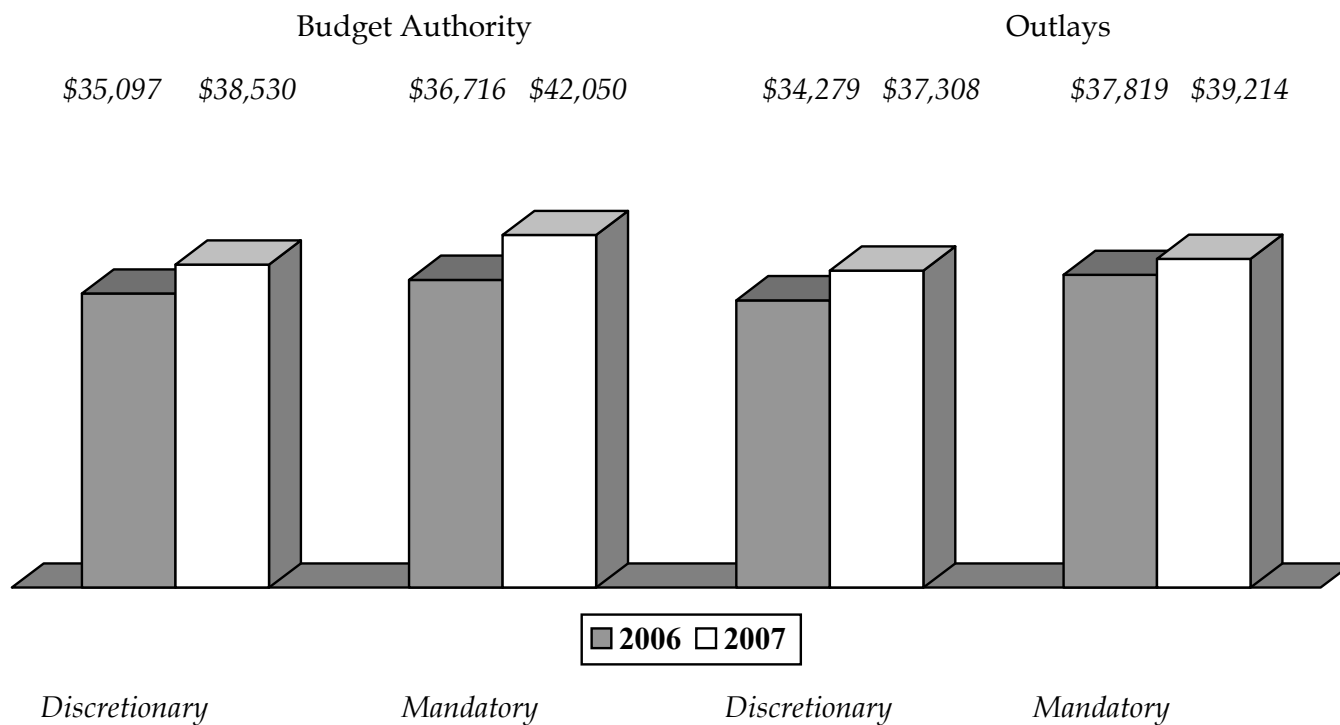




## Budget Summaries

### Department of Veterans Affairs

*Discretionary and Mandatory Programs Chart  
(dollars in millions)*



*Discretionary Programs: Includes Medical Care Collections and 2005 excludes \$124 million in funding for Public Law 108-324, Emergency Hurricane Supplemental. FY 2006 excludes \$619.7 million in funding for Public Law 109-148.*

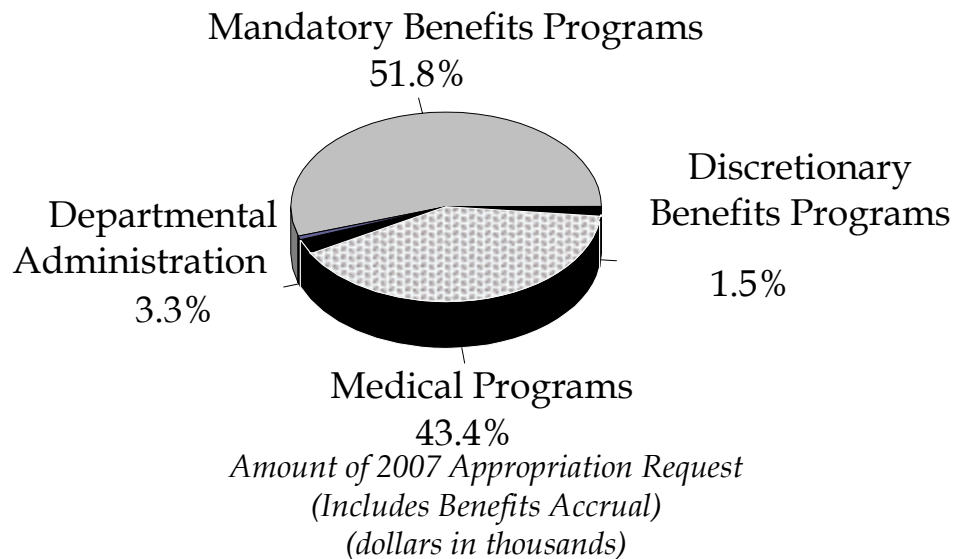
Department of Veterans Affairs Discretionary and Mandatory Programs Funding and Average Employment for 2005 - 2007														
	2005			2006			2007			Change (BY - CY) Outlay			Percentage Change [(BY - CY)/CY] Outlay	
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	FTE
Discretionary Programs														
Medical Programs- VHA														
Medical Services	\$21,376,495	\$20,497,910	135,283	\$22,547,141	\$22,578,713	135,283	\$25,511,509	\$24,958,086	135,935	\$2,964,368	\$2,379,373	652	13.15%	10.54%
Collections	1,868,383	2,095,929	0	2,053,641	1,955,454	0	2,832,778	2,419,836	0	\$779,137	\$464,382	0	37.94%	23.75%
Subtotal Medical Services	23,244,878	22,593,839	135,283	24,600,782	24,534,167	135,283	27,548,778	26,582,413	135,935	\$2,947,996	\$2,048,246	652	11.98%	8.35%
Medical Administration	3,310,427	3,181,744	35,652	2,926,942	2,942,422	35,652	3,177,000	3,091,917	35,652	\$250,058	\$149,495	0	8.54%	5.08%
Medical Facilities	3,263,040	2,954,872	26,715	3,297,669	3,269,184	26,715	3,569,000	3,508,662	26,715	\$271,331	\$239,478	0	8.23%	7.33%
VA/DoD Sharing Incentive Fund (VA portion non-add) <sup>v</sup>	15,000	-3,223	0	15,000	-5,000	0	15,000	0	0	\$-15,000	\$8,750	0		
Total Medical care	29,818,345	28,730,455	197,650	30,825,393	30,745,773	197,650	34,294,778	33,182,992	198,302	\$3,469,385	\$2,437,219	652	11.25%	7.93%
Medical research	390,224	381,150	3,206	412,000	400,260	3,125	399,000	395,598	2,839	\$-13,000	\$-4,662	-286	-3.16%	-9.15%
Subtotal VHA	30,208,569	29,111,605	200,856	31,237,393	31,146,033	200,775	34,693,778	33,578,590	201,141	\$3,456,385	\$2,432,557	366	11.06%	7.81%
National Cemetery Administration- NCA														
Burial Administration	141,998	145,384	1,523	149,598	145,254	1,566	160,733	155,993	1,589	\$11,135	\$10,739	23	7.44%	7.39%
Information Technology	1,283,517	731,605	0	1,213,820	691,877	0	1,257,000	1,156,500	0	\$43,180	\$464,623	0	3.56%	67.15%
Subtotal, Information Technology														
Construction														
Major	397,594	105,977	0	539,800	359,143	0	307,350	402,720	0	\$-232,450	\$43,577	0	-43.06%	12.13%
Veterans Health Administration	0	323	0	0	312	0	0	177	0	\$0	\$-135	0	0.00%	-43.27%
Veterans Benefits Administration	55,552	36,098	0	65,300	48,959	0	53,400	50,899	0	\$-11,900	\$1,940	0	-18.22%	3.96%
National Cemetery Administration	1,984	3,643	0	2,000	1,492	0	38,250	1,892	0	\$36,250	\$400	0	1812.50%	26.81%
Staff Offices	455,130	146,041	6	607,100	409,906	6	399,000	455,688	6	-208,100	45,782	0	18	0
Subtotal Major Construction														
Minor	180,643	177,742	0	155,000	177,843	0	150,000	160,567	0	\$-5,000	\$-17,276	0	-3.23%	-9.71%
Veterans Health Administration	19,279	11,041	0	17,048	18,592	0	14,000	16,962	0	\$-3,048	\$-1,630	0	-17.88%	-8.77%
Veterans Benefits Administration	24,800	21,474	0	22,581	23,286	0	25,000	23,205	0	\$2,420	\$81	0	10.71%	-0.35%
National Cemetery Administration	4,211	4,106	0	4,309	4,295	0	9,000	5,131	0	\$4,691	\$836	0	108.87%	19.46%
Staff Offices	228,933	214,363	50	198,937	224,016	56	198,000	205,865	56	\$-937	\$-18,151	0	-0.47%	-8.10%
Subtotal Minor Construction														
Grants For State Extended Care Facilities	104,322	96,780	0	85,000	92,422	0	85,000	94,032	0	\$0	\$1,610	0	0.00%	1.74%
Grants For State Cemeteries	31,744	22,510	0	32,000	22,640	0	32,000	28,082	0	\$0	\$5,442	0	0.00%	24.04%
Total Construction	820,129	479,694	56	923,037	748,984	62	714,000	783,667	62	\$-209,037	\$34,683	0	-22.65%	4.63%
Departmental Administration- GOE														
Veteran Benefits Administration	572,606	628,641	7,538	699,832	700,210	7,989	778,971	737,089	7,890	\$79,139	\$36,879	-99	11.31%	5.27%
Compensation Administration (includes Burial)	13,274	27,896	174	13,436	10,962	166	15,585	0	182	\$21,499	\$-10,962	16	15.99%	-100.00%
Burial Administration (non-add)	119,000	0	0	0	0	0	0	0	0	\$0	\$0	0		
Note: 2003 War-time supplemental included in total (Non-add)														
Transfer of funds from Medical Services														
Pensions Administration	143,600	140,337	1,540	125,700	126,185	1,442	145,383	139,136	1,555	\$19,683	\$12,951	113	15.66%	10.26%
Subtotal, Compensation and Pension	835,206	768,978	9,078	825,532	826,395	9,431	924,354	876,225	9,445	\$98,822	\$49,830	14	11.97%	6.03%
Education Administration	74,445	71,012	852	85,606	82,128	884	90,113	87,294	930	\$4,507	\$5,166	46	5.26%	6.29%
Subtotal, Education	74,445	71,012	852	85,606	82,128	884	90,113	87,294	930	\$4,507	\$5,166	46	5.26%	6.29%
Vocational Rehabilitation and Employment	114,163	112,246	1,112	138,516	131,491	1,120	149,037	143,710	1,250	\$10,521	\$12,219	130	7.60%	9.29%
Transfer of funds from Medical Services														
Subtotal Vocational Rehabilitation	120,163	118,246	1,112	138,516	131,491	1,120	149,037	143,710	1,250	\$10,521	\$12,219	130	7.60%	9.29%
Insurance Administration	2,825	2,813	488	4,284	3,885	503	4,355	4,113	503	\$71	\$228	0	1.66%	5.87%
Subtotal, Insurance	2,825	2,813	488	4,284	3,885	503	4,355	4,113	503	\$71	\$228	0	1.66%	5.87%
Subtotal GOE, VBA without Credit Reform	1,032,639	961,049	11,530	1,053,938	1,043,899	11,938	1,167,859	1,111,342	12,128	\$113,921	\$67,443	190	10.81%	6.46%
General Administration														
Office of the Secretary	7,155	222,131	76	7,378	284,782	79	7,549	302,938	79	\$171	\$18,156	0	2.32%	6.38%
Board of Contract Appeals	1,595	0	9	1,780	0	12	1,820	0	12	\$40	\$0	0	2.25%	0.00%
Board of Veterans Appeals	51,074	433	433	52,918	0	445	55,309	444	444	\$2,391	\$0	-1	4.52%	-0.22%
General Counsel	57,661	646	646	60,898	0	650	64,784	656	656	\$3,886	\$0	6	6.38%	0.92%
AS for Management	33,895	258	258	37,966	0	303	40,592	317	317	\$2,626	\$0	14	6.92%	4.62%
AS for Information and Technology	24,185	356	356	33,786	0	496	35,846	496	496	\$2,060	\$0	0	6.10%	0.00%
AS for Human Resources & Administration	50,275	513	513	59,435	0	531	64,179	535	535	\$4,744	\$0	4	7.98%	0.75%
AS for Policy, Planning and Preparedness	26,628	100	100	27,026	0	117	27,615	119	119	\$589	\$0	2	2.18%	1.71%
AS for Public and Intergovernmental Affairs	10,190	75	75	10,509	0	83	10,775	83	83	\$266	\$0	0	2.53%	0.00%
AS for Congressional and Legislative Affairs	4,107	34	34	4,335	0	40	4,436	40	40	\$101	\$0	0	2.33%	0.00%
Total General Administration	266,765	222,131	2,499	296,031	284,782	2,756	312,905	302,938	2,781	\$16,874	\$18,156	25	5.70%	6.38%
Office of Inspector General														
Total Office of Inspector General	68,180	65,184	454	69,074	67,087	510	69,499	67,617	483	\$425	\$530	-27	0.62%	-5.29%

Department of Veterans Affairs Discretionary and Mandatory Programs Funding and Average Employment for 2005 - 2007										
	2005 (CY)		2006 (BY)		2007 (BY)		Change (BY - CY)		Percentage Change [(BY - CY)/CY]	
	BA	FTE	BA	FTE	BA	FTE	BA	FTE	BA	FTE
<b>Credit Reform Administrative</b>										
Credit Reform Administrative- VBA	548	537	561	548	595	578	\$34	\$30	6.06%	5.47%
Native American loan administrative	309	301	305	299	305	298	\$0	\$-1	0.00%	-0.33%
Vocational rehabilitation loan program - admin	127,772	122,799	130,095	127,258	126,569	124,488	\$-3,526	\$-2,770	-2.71%	-2.18%
Veterans housing benefit program fund program	128,629	123,637	130,961	128,105	127,469	125,364	\$-3,492	\$-2,741	-2.67%	-2.14%
<b>Credit Reform Administrative- General Counsel</b>										
Native American loan administrative	19	18	19	18	20	19	\$1	\$1	5.26%	5.56%
Transitional Housing for Homeless Veterans (Non-Aud)	20	19	20	19	24	22	\$4	\$3	20.00%	15.79%
Veterans housing benefit program fund program	4,669	3,950	4,777	4,614	4,885	4,767	\$108	\$153	2.26%	3.32%
Subtotal General Counsel	4,688	3,968	4,796	4,632	4,905	4,786	\$109	\$154	2.27%	3.32%
<b>Credit Reform Administrative- VHA</b>										
Transitional Housing for Homeless Veterans (Non-Aud)	724	684	730	713	726	711	\$-4	\$-2	-0.55%	-0.28%
Subtotal VBA	724	684	730	713	726	711	\$-4	\$-2	-0.55%	-0.28%
<b>Credit Reform Administrative- OIT</b>										
Veterans Housing	20,401	17,261	18,703	18,326	21,731	20,890	\$3,028	\$2,564	0.00%	0.00%
Subtotal OIT	20,401	17,261	18,703	18,326	21,731	20,890	\$3,028	\$2,564	0.00%	0.00%
<b>Credit Reform Subsidy</b>										
Vocational rehabilitation loan program - subsidy	47	46	68	65	70	67	\$2	\$2	2.94%	3.08%
Subtotal, Credit Reform Subsidy	47	46	68	65	70	67	\$2	\$2	2.94%	3.08%
<b>Subtotal, Credit Reform Administrative</b>	153,718	144,866	154,460	151,063	154,105	151,040	-3,387	-2,589	0	0
Total, Other Discretionary	4,157,217	3,131,109	4,272,026	3,533,271	4,235,171	4,124,762	\$-36,855	\$91,491	-0.86%	16.74%
Total, Discretionary Program w/o Collections	32,107,179	29,765,635	33,043,778	32,323,590	35,697,171	34,887,918	\$2,653,393	\$2,564,328	8.03%	7.93%
Total, Discretionary Program with Collections	33,975,562	31,861,564	35,097,419	34,270,044	38,529,949	37,307,754	\$3,432,530	\$3,028,710	9.78%	8.84%
<b>Proprietary Receipts</b>										
Medical Care Collections Fund (MCCF) <sup>2</sup>	-1,868,383	-1,868,383	-2,053,641	-2,053,641	-2,832,778	-2,832,778	\$-779,137	\$-779,137	37.94%	37.94%
Subtotal, Proprietary Receipts	-1,868,383	-1,868,383	-2,053,641	-2,053,641	-2,832,778	-2,832,778	\$-779,137	\$-779,137	37.94%	37.94%
<b>Total, Discretionary Programs</b>	\$32,107,179	\$29,993,181	\$33,043,778	\$32,225,403	\$35,697,171	\$34,474,976	\$2,653,393	\$2,249,573	8.03%	6.98%
<b>Mandatory Programs</b>										
<b>Benefit Programs</b>										
<b>Compensation and Pensions</b>										
Disability Compensation Benefits	28,915,045	30,876,810	30,233,593	31,335,021	33,668,093	30,924,566	\$3,434,500	\$-410,455	11.36%	-1.31%
Proposed legislation - COLA increase of 2.6 percent		0	0	0	590,293	590,293	\$590,293	\$590,293	#DIV/0!	#DIV/0!
Subtotal Compensation	28,915,045	30,876,810	30,233,593	31,335,021	34,258,386	31,514,859	\$4,024,793	\$179,838	13.31%	0.57%
Pensions Benefits	3,293,538	3,663,491	3,489,396	3,499,594	3,564,060	3,279,040	\$74,664	\$-220,554	2.14%	-6.30%
Subtotal Pension	3,293,538	3,663,491	3,489,396	3,499,594	3,564,060	3,279,040	\$74,664	\$-220,554	2.14%	-6.30%
Burial Benefits	153,340	153,340	174,798	174,798	184,649	184,649	\$9,851	\$9,851	5.64%	5.64%
Proposed legislation	0	0	0	0	0	0	\$0	\$0	#DIV/0!	#DIV/0!
National cemetery gift fund	0	0	0	0	0	0	\$0	\$0	#DIV/0!	#DIV/0!
Subtotal Burial	153,340	153,340	174,798	174,798	184,649	184,649	\$9,851	\$9,851	5.64%	5.64%
Total Compensation and Pensions	32,361,923	34,693,641	33,897,787	35,009,413	38,007,095	34,978,548	\$4,109,308	\$-30,865	12.12%	-0.09%
<b>Readjustment Benefits</b>										
Education Benefits	2,232,255	2,353,776	2,708,847	2,646,677	2,595,818	2,750,574	\$-113,029	\$103,897	-4.17%	3.93%
Proposed legislation	0	0	0	0	0	0	\$0	\$0	#DIV/0!	#DIV/0!
Education loan modification	0	0	0	0	0	0	\$0	\$0	#DIV/0!	#DIV/0!
Education loan liquidating account	0	0	0	0	0	0	\$0	\$0	#DIV/0!	#DIV/0!
<b>Vocational Rehabilitation &amp; Employment</b>										
Subtotal Education	2,232,255	2,353,776	2,708,847	2,646,677	2,595,818	2,750,574	\$-113,029	\$103,897	-4.17%	3.93%
Proposed legislation	569,742	582,813	600,387	614,830	666,188	656,914	\$65,801	\$42,084	10.96%	6.84%
Subtotal VR&E	569,742	582,813	600,387	614,830	666,188	656,914	\$65,801	\$42,084	10.96%	6.84%
Total Readjustment Benefits	2,801,997	2,936,589	3,309,234	3,261,507	3,262,006	3,407,488	\$-47,228	\$145,981	-1.43%	4.48%
Housing Program	1,889,368	1,889,368	59,489	63,419	42,892	42,892	\$-16,597	\$-20,527	#DIV/0!	#DIV/0!
Proposed legislation	0	0	0	0	0	0	\$0	\$0	#DIV/0!	#DIV/0!
Veterans housing benefit program fund liquidating	-45,000	-76,577	-61,371	-59,734	-48,606	-48,606	\$12,765	\$11,128	-20.80%	-18.63%
<b>Subtotal Housing</b>	1,844,368	1,812,791	-1,882	3,685	-5,714	-5,714	\$-3,832	\$-9,399	203.61%	-255.06%

Department of Veterans Affairs Discretionary and Mandatory Programs Funding and Average Employment for 2005 - 2007										
	2005 (CY)			2006 (BY)			2007 (BY)			Percentage Change [(BY - CY)/CY]
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA Outlay FTE
<b>Insurance Benefits</b>										
Proposed legislation	44,380	44,649	0	45,907	45,907	0	49,850	\$3,943	0	8.59% \$3,943
<b>Subtotal Insurance</b>	<b>44,380</b>	<b>44,649</b>	<b>0</b>	<b>45,907</b>	<b>45,907</b>	<b>0</b>	<b>49,850</b>	<b>\$3,943</b>	<b>0</b>	<b>8.59% \$3,943</b>
<b>Trust Funds</b>										
Post-Vietnam era veterans education account	619	2,897		928	2,872		857	\$0	0	#DIV/0! \$0
Service-disabled veterans insurance fund	1	-6,281		0	4,761		0	\$-71	0	-7.65% \$-71
Veterans reopened insurance fund	-1	19,840		0	25,878		0	\$0	0	#DIV/0! \$0
Servicemembers' group life insurance fund	-21	-21		-20	-10		-30	\$0	0	#DIV/0! \$0
National service life insurance	1,210,888	1,206,851		1,201,820	1,218,274		1,188,600	\$-10	0	50.00% \$-10
U.S. Government life insurance	7,323	8,525		6,770	8,650		6,060	\$-13,220	0	-1.10% \$-13,220
Veterans special life insurance fund	0	-40,256		0	-17,171		0	\$-710	0	-10.49% \$-710
<b>Subtotal Trust Funds</b>	<b>1,218,809</b>	<b>1,191,555</b>	<b>0</b>	<b>1,209,498</b>	<b>1,243,254</b>	<b>0</b>	<b>1,195,487</b>	<b>\$7,261</b>	<b>0</b>	<b>-11.21% \$7,261</b>
<b>Subtotal, Benefits Programs</b>	<b>36,271,477</b>	<b>40,679,225</b>	<b>0</b>	<b>38,460,544</b>	<b>39,583,766</b>	<b>0</b>	<b>42,506,724</b>	<b>\$1,983</b>	<b>0</b>	<b>-1.16% \$1,983</b>
<b>Medical Programs</b>										
Canteen service revolving fund	0	-5,813	2,952	0	1,439	2,940	0	\$111,643	0	10.53% \$111,643
General post fund	30,926	30,508	0	32,555	31,500	0	33,354	\$0	10	-108.34% \$0
<b>Subtotal Veterans Health Administration</b>	<b>30,926</b>	<b>24,695</b>	<b>2,952</b>	<b>32,555</b>	<b>32,939</b>	<b>2,940</b>	<b>33,354</b>	<b>\$-77</b>	<b>10</b>	<b>2.45% \$-77</b>
<b>Departmental Administration</b>										
Pershing Hall revolving fund	0	-45	0	0	-45	0	0	\$0	0	0.00% \$0
Supply Fund	0	357,915	413	0	0	469	0	\$0	4	-9.91% \$0
Franchise Fund	0	-14,880	688	0	0	745	0	\$0	-1	-17.94% \$0
<b>Subtotal, Departmental Administration</b>	<b>0</b>	<b>342,990</b>	<b>1,101</b>	<b>0</b>	<b>-45</b>	<b>1,214</b>	<b>0</b>	<b>\$0</b>	<b>3</b>	<b>-4.97% \$0</b>
<b>Benefit Programs Proprietary receipts</b>										
GI Bill	-197,800	-197,800	0	-197,800	-197,800	0	-197,800	\$0	0	0.00% \$0
National service life insurance fund	-171,479	-171,479	0	-161,750	-161,750	0	-145,720	\$16,030	0	-9.91% \$16,030
Post-Vietnam era veterans education account	-608	-608	0	-223	-223	0	-183	\$40	0	-17.94% \$40
Downward Reestimates:										
Direct Loans	-200,059	-200,059		-112,584	-112,584		0	\$0	0	0.00% \$0
Acquired Direct	0	0		0	0		0	\$0	0	0.00% \$0
Vendee Direct	0	0		0	0		0	\$0	0	0.00% \$0
Veterans housing benefit fund guaranteed loan	-787,158	-787,158	0	-1,107,907	-1,107,907	0	0	\$1,107,907	0	48.55% \$1,107,907
Veterans housing benefit fund loan sales securities	-31,468	-31,468	0	-67,641	-67,641	0	0	\$67,641	0	15.86% \$67,641
Native American veterans program account	-2,002	-2,002	0	-2,964	-2,964	0	0	\$2,964	0	0.00% \$2,964
Vocational rehabilitation loan program	0	0		-1	-1		0	\$1	0	-23.71% \$1
Negative Subsidy:										
Acquired Direct	-3,883	-3,883		0	0		0	\$0	0	0.00% \$0
Vendee Direct	-5,696	-5,696	0	-8,515	-8,515	0	-12,649	\$4,134	0	48.55% \$4,134
Veterans housing benefit fund guaranteed loans	-74,364	-74,364		-115,553	-115,553		-133,881	\$-18,328	0	15.86% \$-18,328
U.S. Government life insurance	0	0		-894	-894	0	0	\$0	0	0.00% \$0
Native American veterans program account	-287	-287	0	-894	-894	0	-682	\$212	0	0.00% \$212
Proposed Legislation										
Increase pharmacy co-payment for P 7/8s				0	0		0	\$0	0	-23.71% \$0
Assess \$250 enrollment fee				0	0		0	\$0	0	0.00% \$0
<b>Subtotal, Proprietary receipts</b>	<b>-1,474,804</b>	<b>-1,474,804</b>	<b>0</b>	<b>-1,775,832</b>	<b>-1,775,832</b>	<b>0</b>	<b>-490,915</b>	<b>\$1,284,917</b>	<b>0</b>	<b>-72.36% \$1,284,917</b>
<b>Intragovernmental transactions</b>										
National service life insurance fund	-899	-899	0	-1,060	-1,060	0	-890	\$170	0	-16.04% \$170
Post-Vietnam era veterans education account	-771	-771	0	-705	-705	0	-674	\$31	0	-4.40% \$31
<b>Subtotal, Intragovernmental transactions</b>	<b>-1,670</b>	<b>-1,670</b>	<b>0</b>	<b>-1,765</b>	<b>-1,765</b>	<b>0</b>	<b>-1,564</b>	<b>\$201</b>	<b>0</b>	<b>-11.39% \$201</b>
<b>Total, Mandatory Programs</b>	<b>36,825,929</b>	<b>39,570,436</b>	<b>4,053</b>	<b>36,715,502</b>	<b>37,819,063</b>	<b>4,154</b>	<b>42,049,599</b>	<b>\$5,334,097</b>	<b>13</b>	<b>14.53% \$5,334,097</b>
<b>Total Net, Department Veterans Affairs</b>	<b>68,933,108</b>	<b>69,563,617</b>	<b>222,024</b>	<b>69,759,280</b>	<b>70,044,466</b>	<b>222,754</b>	<b>77,746,770</b>	<b>\$3,644,698</b>	<b>573</b>	<b>5.20% \$3,644,698</b>
Medical Collection including Proposed Legislation	1,868,383	1,868,383		2,053,641	2,053,641		2,832,778	\$779,137	0	37.94% \$779,137
<b>Total Gross, Veterans Affairs with Collections</b>	<b>70,801,491</b>	<b>71,432,000</b>	<b>222,024</b>	<b>71,812,921</b>	<b>72,098,107</b>	<b>222,754</b>	<b>80,579,548</b>	<b>\$8,766,627</b>	<b>573</b>	<b>12.21% \$8,766,627</b>

<sup>1/</sup> The VA portion of the VA/DoD Incentive fund (\$15 million) is included in the Medical Services Appropriation for FY 2005, FY 2006 and FY 2007 for comparison purposes

# 2007 Appropriation Request



Benefits mandatory programs .....	\$41,361,843
Medical programs (includes medical care collection funds) .....	34,693,778
Benefits discretionary programs .....	1,167,859
Departmental administration .....	2,668,312
Total appropriations .....	\$79,891,792

<b>Appropriations</b> (dollars in thousands)				
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Increase (+) Decrease (-)</b>
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability Compensation				
Mandatory Benefits	\$28,915,045	\$30,233,593	\$33,668,093	\$3,434,500
Proposed 2.6 Percent COLA increase in 12/1/2006	0	0	590,293	590,293
Total Disability Compensation	28,915,045	30,233,593	34,258,386	4,024,793
Burial Mandatory Benefits	153,340	174,798	184,649	9,851
Pensions Mandatory Benefits	3,293,538	3,489,396	3,564,060	74,664
<b>Subtotal, Compensation and Pension</b>	<b>32,361,923</b>	<b>33,897,787</b>	<b>38,007,095</b>	<b>4,109,308</b>
Education Mandatory Benefits	2,232,255	2,708,847	2,595,818	-113,029
Vocational rehabilitation and employment Mandatory Benefits	569,742	600,387	666,188	65,801
Vocational rehabilitation loan subsidy (non-add)	47	68	70	2
<b>Subtotal, Readjustment Benefits</b>	<b>2,801,997</b>	<b>3,309,234</b>	<b>3,262,006</b>	<b>-47,228</b>
Insurance Mandatory Benefits	44,380	45,907	49,850	3,943
Housing Mandatory Benefits	1,889,368	59,489	42,892	-16,597
<b>Total Benefits Mandatory</b>	<b>37,097,668</b>	<b>37,312,417</b>	<b>41,361,843</b>	<b>4,049,426</b>
Medical Research and Support	405,593	412,000	399,000	-13,000
Rescission, Public Law 108-447	-3,245			0
<b>Total Medical Research and Support</b>	<b>402,348</b>	<b>412,000</b>	<b>399,000</b>	<b>-13,000</b>
<b>Medical programs:</b>				
Medical services	19,472,777	22,547,141	25,511,509	2,964,368
Appropriation proposed legislative fees			-795,509	-795,509
Rescission, Public Law 108-447	-155,782			
2005 Supplemental. Public Law 109-54	1,500,000			
Transfers (Net)	544,500	-15,000	0	15,000
Hurricane Supplemental, P.L. 108-324	38,283	0	0	0
Avian Flu Supplemental, P.L. 109-148		27,000		
Hurricane Supplemental, P.L. 109-148		198,265		-198,265
Medical care collection fund	1,868,383	2,053,641	2,832,778	779,137
<b>Total Medical services with collections</b>	<b>23,268,161</b>	<b>24,811,047</b>	<b>27,548,778</b>	<b>2,764,731</b>
Medical administration	4,705,000	2,858,442	3,177,000	318,558
Rescission, Public Law 108-447	-37,640			
Transfers (Net)	-232,000	68,500	0	-68,500
Hurricane Supplemental, P.L. 108-324	1,940	0	0	0
<b>Total Medical Administration</b>	<b>4,437,300</b>	<b>2,926,942</b>	<b>3,177,000</b>	<b>250,058</b>
Medical facilities	3,745,000	3,297,669	3,569,000	271,331
Rescission, Public Law 108-447	-29,960			0
Transfer to Medical Services	-452,000	0		0
Transfer from Construction, minor Public Law 108-447	19,800			0
Hurricane Supplemental, P.L. 108-324	46,909	0	0	0
<b>Total Medical facilities</b>	<b>3,329,749</b>	<b>3,297,669</b>	<b>3,569,000</b>	<b>271,331</b>
VA/DoD Health Care Sharing Incentive Fund <sup>1</sup>	30,000	15,000	15,000	0
<b>Total Medical Care</b>	<b>31,065,210</b>	<b>31,050,658</b>	<b>34,294,778</b>	<b>3,286,120</b>
<b>Total medical programs</b>	<b>31,467,558</b>	<b>31,462,658</b>	<b>34,693,778</b>	<b>3,876,009</b>
<b>National Cemeteries Administration</b>	148,925	149,598	160,733	11,135
Hurricane Supplemental, Public Law 108-447	50			0
Hurricane Supplemental, Public Law 108-148		200		-200
Rescission, Public Law 108-447	-1,191			0
<b>Total National Cemeteries Administration</b>	<b>147,784</b>	<b>149,798</b>	<b>160,733</b>	<b>10,935</b>
<b>Department Administration:</b>				
General administration	295,180	296,031	312,905	16,874
Credit Reform - General Counsel (non-add)	4,688	4,796	4,905	109
VBA-GOE	1,144,520	1,078,809	1,167,859	89,050
Credit Reform - VBA (non-add)	149,030	149,664	149,200	-464
<b>Subtotal, GOE</b>	<b>1,439,700</b>	<b>1,374,840</b>	<b>1,480,764</b>	<b>105,924</b>
Office of Inspector General	69,153	69,074	69,499	425
Construction Major	455,130	974,600	399,000	-575,600
Construction Minor	245,476	200,737	198,000	-2,737
Grants for State Extended Care	104,322	85,000	85,000	0
Grants for State Cemeteries	31,744	32,000	32,000	0
Credit Reform	153,765	154,528	154,175	-353
Information Technology	0	1,213,820	1,257,000	43,180
<b>Total Department Administration</b>	<b>2,499,290</b>	<b>4,104,599</b>	<b>3,675,438</b>	<b>-429,161</b>
<b>Total appropriations</b>	<b>\$71,212,300</b>	<b>\$73,029,472</b>	<b>\$79,891,792</b>	<b>6,862,320</b>
<b>Total Mandatory</b>	<b>\$37,097,668</b>	<b>\$37,312,417</b>	<b>\$41,361,843</b>	<b>\$4,049,426</b>
<b>Total Discretionary without MCCF</b>	<b>\$32,246,249</b>	<b>\$33,663,414</b>	<b>\$35,697,171</b>	<b>\$2,033,757</b>
<b>Total Discretionary with MCCF and other receipts</b>	<b>\$34,114,632</b>	<b>\$35,717,055</b>	<b>\$38,529,949</b>	<b>\$2,812,894</b>

1/ VA/DoD Incentive Fund is included in Medical Services. Amount shown is for comparative purposes.



## 2007 Appropriations Language Changes

### Administration Provisions

- The following language in the provisions below has been carried in earlier appropriation bills. The fiscal year has been amended to reflect 2007.

SEC. 202. Appropriations available in this title for salaries and expenses shall be available for services authorized by section 3109 of title 5, United States Code, hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by sections 5901–5902 of title 5, United States Code.

SEC. 204. No appropriations in this title shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under sections 7901–7904 of title 5, United States Code or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)), unless reimbursement of cost is made to the “Medical services” account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 205. Appropriations available in this title for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year [2005] 2006.

SEC. 206. Appropriations available in this title shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from sections 3328(a), 3334, and 3712(a) of title 31, United States Code, except that if such obligations are from trust fund accounts they shall be payable from “Compensation and pensions”.

SEC. 207. Notwithstanding any other provision of law, during fiscal year [2006] 2007, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans’ Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the “General operating expenses” account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year [2006] 2007 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further,

That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year [2006] 2007 which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 209. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

SEC. 210. Funds available in this title or funds for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided at rates which will recover actual costs but not exceed [\$29,758,000] \$31,246,000 for the Office of Resolution Management and \$3,059,000 for the Office of Employment and Discrimination Complaint Adjudication: Provided, That payments may be made in advance for services to be furnished based on estimated costs: Provided further, That amounts received shall be credited to "General operating expenses" for use by the office that provided the service.

SEC. 212. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: Provided, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: Provided further, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

SEC. 213. Notwithstanding any other provision of law, at the discretion of the Secretary of Veterans Affairs, proceeds or revenues derived from enhanced-use leasing activities (including disposal) may be deposited into the “Construction, major projects” and “Construction, minor projects” accounts and be used for construction (including site acquisition and disposition), alterations and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in “Construction, major projects” and “Construction, minor projects”.

SEC. 214. Amounts made available under “Medical services” are available—

- (1) for furnishing recreational facilities, supplies, and equipment;
- and
- (2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the Department.

SEC. 215. [That such] Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to “Medical services”, to remain available until expended for the purposes of this account.

SEC. 218. Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall allow veterans eligible under existing Department of Veterans Affairs medical care requirements and who reside in Alaska to obtain medical care services from medical facilities supported by the Indian Health Service or tribal organizations. The Secretary shall: (1) limit the application of this provision to rural Alaskan veterans in areas where an existing Department of Veterans Affairs facility or Veterans Affairs-contracted service is unavailable; (2) require participating veterans and facilities to comply with all appropriate rules and regulations, as established by the Secretary; (3) require this provision to be consistent with Capital Asset Realignment for Enhanced Services activities; and (4) result in no additional cost to the Department of Veterans Affairs or the Indian Health Service.

SEC. 219. [That such] Such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 8118 of title 38, United States Code, may be transferred to the “Construction, major projects” and “Construction, minor projects” accounts, to remain available until expended for the purposes of these accounts.

SEC. 222. The Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report on the financial status of the Veterans Health Administration.

SEC. 230. The authority provided by section 2011 of title 38, United States Code, shall continue in effect through September 30, [2006] 2007.

**Removes language that requires committees approval. However, committee notification would continue to be required.**

SEC. 201. Any appropriation for fiscal year [2006] 2007 for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” may be transferred as necessary to any other of the mentioned appropriations: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued, or absent a response,] and a period of 30 days has elapsed.

SEC. 216. Amounts made available for fiscal year [2006] 2007 under the “Medical services”, “Medical administration”, and “Medical facilities” accounts may be transferred among the accounts to the extent necessary to implement the restructuring of the Veterans Health Administration accounts: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued].

SEC. 227. Amounts made available for the “Information technology systems” account may be transferred between projects: Provided, That no project may be increased or decreased by more than [\$1,000,000] \$5,000,000 of cost prior to submitting [a request] *notice thereof* to the Committees on Appropriations of both Houses of Congress [the authority to make the transfer and an approval is issued, or absent a response,] and a period of 30 days has elapsed.

## **Removes the following language:**

[SEC. 203. No appropriations in this title (except the appropriations for “Construction, major projects”, and “Construction, minor projects”) shall be available for the purchase of any site for or toward the construction of any new hospital or home. ]

[SEC. 208. The paragraph under the heading “Franchise Fund” in title I of Public Law 104–204 (31 U.S.C. 501 note) is amended—

(1) by striking “franchise fund pilot, as authorized by section 403 of Public Law 103–356, to be available as provided in such section” and inserting “Department of Veterans Affairs franchise fund, to be available without fiscal year limitation”; and

(2) by striking the final proviso.]

[SEC. 211. No appropriations in this title shall be available to enter into any new lease of real property if the estimated annual rental is more than \$300,000 unless the Secretary submits a report which the Committees on Appropriations of both Houses of Congress approve within 30 days following the date on which the report is received.]

[SEC. 217. Any appropriation for fiscal year 2006 for the Veterans Benefits Administration made available under the heading “General operating expenses” may be transferred to the “Veterans Housing Benefit Program Fund Program Account” for the purpose of providing funds for the nationwide property management contract if the administrative costs of such contract exceed \$8,800,000 in the fiscal year.]

[SEC. 220. None of the funds available to the Department of Veterans Affairs, in this Act or any other Act, may be used to replace the current system by which the Veterans Integrated Service Networks select and contract for diabetes monitoring supplies and equipment. ]

[SEC. 221. None of the funds made available in this Act may be used to implement any policy prohibiting the Directors of the Veterans Integrated Service Networks from conducting outreach or marketing to enroll new veterans within their respective Networks.]

[SEC. 223. None of the funds made available in this Act or any other Act may be used—

(1) with respect to the 2,100 compensation cases identified in the Scope and Methodology description in VA Inspector General Report No. 05–00765–137 as having been reviewed by the Office of Inspector General—

(A) to retroactively revoke or reduce a veteran’s disability compensation payments for post traumatic stress disorder based on a finding that the Department of Veterans Affairs failed to collect justifying documentation unless the award of compensation was the direct result of fraud by the applicant;

or

(B) to prospectively revoke or reduce a veteran’s disability compensation payments for post traumatic stress disorder, based on a finding that the Department of Veterans Affairs failed to collect justifying documentation, effective before the date on which the veteran’s time to exhaust all available administrative and judicial appeals has expired or such administrative and judicial appeals are finally decided; or

(2) for the implementation of Recommendation 3 of VA Inspector General Report No. 05–00765–137 or any related review and investigation of post traumatic stress, individual unemployability, and schedular 100 percent ratings cases, until the Department of Veterans Affairs reports to the Committees on Appropriations of both Houses of Congress on its plans for implementing this recommendation, and outlines the staffing and funding requirements.]

[SEC. 224. CLINICAL TRAINING AND PROTOCOLS. (a) FINDINGS.—Congress finds that—

(1) the Iraq War Clinician Guide has tremendous value; and

(2) the Secretary of Defense and the National Center on Post Traumatic Stress Disorder should continue to work together to ensure that the mental health care needs of servicemembers and veterans are met.

(b) COLLABORATION.—The National Center on Post Traumatic Stress Disorder shall collaborate with the Secretary of Defense—

(1) to enhance the clinical skills of military clinicians through training, treatment protocols, web-based interventions, and the development of evidence-based interventions; and

(2) to promote pre-deployment resilience and post-deployment readjustment among servicemembers serving in Operation Iraqi Freedom and Operation Enduring Freedom.

(c) TRAINING.—The National Center on Post Traumatic Stress Disorder shall work with the Secretary of Defense to ensure that clinicians in the Department of Defense are provided with the training and protocols developed pursuant to subsection (b)(1). ]



[SEC. 225. Amounts made available under the “Medical administration”, “Medical services”, “Medical facilities”, “General operating expenses”, “National Cemetery Administration” and “Office of Inspector General” accounts for fiscal year [2006] 2007, may be transferred to or from the “Information technology systems” account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall [request from] *submit notice thereof* to the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued].

[SEC. 226. For purposes of perfecting the funding sources of the Department of Veterans Affairs’ new “Information technology systems” account, funds made available for fiscal year 2006 may be transferred from the “General operating expenses”, “National Cemetery Administration”, and “Office of Inspector General” accounts to the “Medical administration” account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.]

[SEC. 228. The Department of Veterans Affairs shall conduct an information campaign in States with an average annual disability compensation payment of less than \$7,300 (according to the report issued by the Department of Veterans Affairs Office of Inspector General on May 19, 2005), to inform all veterans receiving disability compensation, by direct mail, of the history of below average disability compensation payments to veterans in such States, and to provide all veterans in each such State, through broadcast or print advertising, with the aforementioned historical information and instructions for submitting new claims and requesting review of past disability claims and ratings.]

[SEC. 229. Of the funds available to the Department of Veterans Affairs in this Act or any other Act, no more than \$50,000,000 shall be available for the HealtheVetVista project, for fiscal year 2006: Provided, That none of the funds made available for the HealtheVetVista project may be obligated until the Committees on Appropriations of both Houses of Congress approve a financial expenditure plan for the entire project.]

<i>Appropriation-Reconciliation</i> (dollars in thousands)			
<b>Appropriation/Fund Account</b>	2005	2006	2007
Disability Compensation Benefits, appropriation	\$28,915,045	\$30,233,593	\$33,668,093
Proposed 2.6 Percent COLA increase in 12/1/2006			590,293
<b>Appropriation, adjusted</b>	<b>28,915,045</b>	<b>30,233,593</b>	<b>34,258,386</b>
Pensions Benefits, appropriation	3,293,538	3,489,396	3,564,060
<b>Appropriation, adjusted</b>	<b>3,293,538</b>	<b>3,489,396</b>	<b>3,564,060</b>
Burial Benefits, appropriation	153,340	174,798	184,649
<b>Appropriation, adjusted</b>	<b>153,340</b>	<b>174,798</b>	<b>184,649</b>
<b>Subtotal Compensation, Pensions, and Burial</b>	<b>32,361,923</b>	<b>33,897,787</b>	<b>38,007,095</b>
Education Benefits, appropriation	2,232,255	2,708,847	2,595,818
<b>Appropriation, adjusted</b>	<b>2,232,255</b>	<b>2,708,847</b>	<b>2,595,818</b>
Vocational Rehabilitation and Employment Benefits, appropriation	569,742	600,387	666,188
<b>Appropriation, adjusted</b>	<b>569,742</b>	<b>600,387</b>	<b>666,188</b>
<b>Subtotal Readjustment Benefits</b>	<b>2,801,997</b>	<b>3,309,234</b>	<b>3,262,006</b>
Insurance Benefits, appropriation	44,380	45,907	49,850
<b>Appropriation, adjusted</b>	<b>44,380</b>	<b>45,907</b>	<b>49,850</b>
Housing	1,889,368	59,489	42,892
<b>Appropriation, adjusted</b>	<b>1,889,368</b>	<b>59,489</b>	<b>42,892</b>
<b>Total Benefits Mandatory</b>	<b>37,097,668</b>	<b>37,312,417</b>	<b>41,361,843</b>
Credit Reform	154,966	154,528	154,175
Rescission	-1,201	0	0
<b>Appropriation, adjusted</b>	<b>153,765</b>	<b>154,528</b>	<b>154,175</b>



<b>Appropriation-Reconciliation</b> (dollars in thousands)			
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Medical care programs, appropriation			
Medical Services, appropriation	19,472,777	22,547,141	25,511,509
Appropriation proposed legislative fees			-795,509
Rescission, Public Law 108-447	-155,782		
2005 Supplemental, Public Law 109-54	1,500,000		
Transfer to GOE for VBA Claims	-125,000		
Transfer from Medical Administration	232,000		
Transfer from Medical Facilities	452,000		
Hurricane Supplemental, P.L. 108-324	38,283		
Transfer from DoD for CBOCs, Public Law 108-324	500		
Hurricane Supplemental, P.L. 109-148		198,265	
Avian Flu Supplemental, P.L. 109-148		27,000	
Transfer to DOD/VA Health Care Sharing Incentive Fund	-15,000	-15,000	0
Subtotal, Medical Services without collections	21,399,778	22,757,406	24,716,000
Transfer from medical care collections fund	1,868,383	2,053,641	2,832,778
Subtotal, Medical Services with collections	23,268,161	24,811,047	27,548,778
Medical Administration, appropriation	4,705,000	2,858,442	3,177,000
Rescission, Public Law 108-447	-37,640		
Transfers from GOE		60,551	
Transfers from National Cemetery Administration		6,849	
Transfers from Inspector General		1,100	
Transfer to Medical Services	-232,000	0	0
Hurricane Supplemental, P.L. 108-324	1,940	0	0
Subtotal, Medical Administration	4,437,300	2,926,942	3,177,000
Medical Facilities, appropriation	3,745,000	3,297,669	3,569,000
Rescission, Public Law 108-447	-29,960	0	0
Transfer to Medical Services	-452,000	0	0
Hurricane Supplemental, P.L. 108-324	46,909	0	0
Transfer from Construction, minor Public Law 108-447	19,800	0	0
Subtotal, Medical Facilities without Construction	3,329,749	3,297,669	3,569,000
VA/DOD Health Care Sharing, Transfer from Medical Services <sup>1</sup>	15,000	15,000	15,000
Transfer from Department of Defense	15,000		
Subtotal, VA/DOD Health Care Sharing	30,000	15,000	15,000
<b>Appropriation, adjusted</b>	<b>31,065,210</b>	<b>31,050,658</b>	<b>34,294,778</b>
Medical research and support, appropriation	405,593	412,000	399,000
Rescission, Public Law 108-447	-3,245		
<b>Appropriation, adjusted</b>	<b>402,348</b>	<b>412,000</b>	<b>399,000</b>
<b>Total Medical Programs</b>	<b>31,467,558</b>	<b>31,462,658</b>	<b>34,693,778</b>

<i><b>Appropriation-Reconciliation</b></i> (dollars in thousands)			
<b>Appropriation/Fund Account</b>	2005	2006	2007
National Cemeteries Administration			
Operations and maintenance	148,925	149,598	160,733
Hurricane Supplemental, Public Law 108-324	50		
Hurricane Supplemental, Public Law 109-148		200	
Rescission, Public Law 108-447	-1,191		
<b>Appropriation, adjusted</b>	<b>147,784</b>	<b>149,798</b>	<b>160,733</b>
Information Technology	0	1,213,820	1,257,000
<b>Appropriation, adjusted</b>	<b>0</b>	<b>1,213,820</b>	<b>1,257,000</b>
Office of Inspector General, appropriation	69,711	69,074	69,499
Rescission, Public Law 108-447	-558		
<b>Appropriation, adjusted</b>	<b>69,153</b>	<b>69,074</b>	<b>69,499</b>
Construction - Major	458,800	607,100	399,000
Rescission, Public Law 108-447	-3,670	0	0
Hurricane Supplemental 109-148		367,500	
<b>Appropriation, adjusted</b>	<b>455,130</b>	<b>974,600</b>	<b>399,000</b>
Construction - Minor	230,745	198,937	198,000
Rescission, Public Law 108-447	-1,812	0	0
Hurricane Supplemental 108-324	16,543		
Hurricane Supplemental 109-148		1,800	
<b>Appropriation, adjusted</b>	<b>245,476</b>	<b>200,737</b>	<b>198,000</b>
Grants for State Extended Care Facilities	105,163	85,000	85,000
Rescission, Public Law 108-447	-841	0	0
<b>Appropriation, adjusted</b>	<b>104,322</b>	<b>85,000</b>	<b>85,000</b>
Grants for State Cemeteries	32,000	32,000	32,000
Rescission, Public Law 108-447	-256	0	0
<b>Appropriation, adjusted</b>	<b>31,744</b>	<b>32,000</b>	<b>32,000</b>
<b>Subtotal Construction Programs</b>	<b>836,672</b>	<b>1,292,337</b>	<b>714,000</b>

<i>Appropriation-Reconciliation</i> (dollars in thousands)			
<b>Appropriation/Fund Account</b>	2005	2006	2007
General Operating Expenses			
General administration, appropriation	297,560	296,031	312,905
Rescission, Public Law 108-447	-2,380		
<b>Appropriation, adjusted</b>	<b>295,180</b>	<b>296,031</b>	<b>312,905</b>
VBA-GOE			
Compensation Administration	642,597	686,396	763,386
Rescission, Public Law 108-447	-5,267	0	0
Burial	13,274	13,436	15,585
Hurricane Supplemental, Public Law 108-324	545	0	0
Hurricane Supplemental, Public Law 109-148		24,871	
Transfer from Medical Services	119,000	0	0
Pensions Administration	160,387	125,700	145,383
Rescission, Public Law 108-447	-1,091		
Education Administration	81,453	85,606	90,113
Rescission, Public Law 108-447	-723	0	0
Vocational Rehabilitation and Employment	125,151	138,516	149,037
Rescission, Public Law 108-447	-1,105	0	0
Transfer from Medical Services	6,000	0	0
Insurance Administration	4,331	4,284	4,355
Rescission, Public Law 108-447	-32	0	0
<b>Appropriation, adjusted</b>	<b>1,144,520</b>	<b>1,078,809</b>	<b>1,167,859</b>
<b>Subtotal GOE</b>	<b>1,439,700</b>	<b>1,374,840</b>	<b>1,480,764</b>
<b>Department of Veterans Affairs, appropriations, adjusted</b>	<b>\$71,212,300</b>	<b>\$73,029,472</b>	<b>\$79,891,792</b>

<b>Budget Authority (Net)</b> (dollars in thousands)				
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Increase (+) Decrease (-)</b>
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability compensation benefits	\$28,915,045	\$30,233,593	\$33,668,093	\$3,434,500
Proposed 2.6 Percent COLA increase in 12/1/2006	0	0	590,293	590,293
Pensions benefits	3,293,538	3,489,396	3,564,060	74,664
Education Benefits	2,232,255	2,708,847	2,595,818	-113,029
Vocational rehabilitation and employment benefits	569,742	600,387	666,188	65,801
Insurance benefits	44,380	45,907	49,850	3,943
Housing program account mandatory	1,889,368	59,489	42,892	-16,597
Burial benefits	153,340	174,798	184,649	9,851
<b>Total benefit programs</b>	<b>37,097,668</b>	<b>37,312,417</b>	<b>41,361,843</b>	<b>4,049,426</b>
<b>Medical programs:</b>				
Medical services	21,399,778	22,757,406	25,511,509	2,754,103
Appropriation from Proposed Legislation - User Fees	0	0	-795,509	-795,509
Medical care collections fund	1,868,383	2,053,641	2,832,778	779,137
Total medical care	23,268,161	24,811,047	27,548,778	2,737,731
Medical administration	4,437,300	2,926,942	3,177,000	250,058
Medical facilities	3,329,749	3,297,669	3,569,000	271,331
VA/DoD Health Sharing Incentive Fund	30,000	15,000	15,000	0
Medical and prosthetic research	402,348	412,000	399,000	-13,000
<b>Total medical programs</b>	<b>31,467,558</b>	<b>31,462,658</b>	<b>34,693,778</b>	<b>3,246,120</b>
<b>National Cemeteries Administration</b>	<b>147,784</b>	<b>149,798</b>	<b>160,733</b>	<b>10,935</b>
<b>Departmental Administration:</b>				
General administration	295,180	296,031	312,905	16,874
Office of Inspector General	69,153	69,074	69,499	425
VBA-GOE	1,144,520	1,078,809	1,167,859	
Construction Major	455,130	974,600	399,000	-575,600
Construction Minor	245,476	200,737	198,000	-2,737
Grants for State Extended Care	104,322	85,000	85,000	0
Grants for State Cemeteries	31,744	32,000	32,000	0
Credit Reform	153,765	154,528	154,175	-353
Information Technology	0	1,213,820	1,257,000	43,180
<b>Total Departmental administration</b>	<b>2,499,290</b>	<b>4,104,599</b>	<b>3,675,438</b>	<b>17,299</b>
<b>Total appropriations, adjusted</b>	<b>71,212,300</b>	<b>73,029,472</b>	<b>79,891,792</b>	<b>7,312,845</b>

<b>Budget Authority (Net)</b> (dollars in thousands)				
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Increase (+) Decrease (-)</b>
<b>Proprietary receipts from the public:</b>				
GI Bill receipts	-197,800	-197,800	-197,800	0
National service life insurance fund	-171,479	-161,750	-145,720	16,030
Post-Vietnam era veterans education account	-608	-223	-183	40
Downward reestimates:				0
Veterans housing benefit fund guaranteed loan account	-787,158	-1,107,907	0	1,107,907
Veterans housing benefit fund loan sale securities	-31,468	-67,641	0	67,641
Veterans housing benefit fund direct loan account	-200,059	-112,584	0	112,584
Native American veterans program account	-2,002	-2,964	0	2,964
Negative subsidy:				
Acquired Direct Loan	-3,883	0	0	0
Vendee Direct	-5,696	-8,515	-12,649	-4,134
Veterans housing benefit fund guaranteed loan account	-74,364	-115,553	-133,881	-18,328
Native American veterans program account	-287	-894	-682	212
Medical care collections fund	-1,868,383	-2,053,641	-2,832,778	-779,137
Proposed Legislation				
Pharmacy co-payments			0	0
Enrollment fees			0	0
<b>Total proprietary receipts from the public</b>	<b>-3,343,187</b>	<b>-3,829,472</b>	<b>-3,323,693</b>	<b>505,779</b>
<b>Total federal funds</b>	<b>67,869,113</b>	<b>69,200,000</b>	<b>76,568,099</b>	<b>7,368,099</b>
<b>Trust funds:</b>				
Post-Vietnam era veterans education account	598	908	827	-81
General post fund	30,926	32,555	33,354	799
Pershing Hall revolving fund	0	0	0	0
National service life insurance	1,210,888	1,201,820	1,188,600	-13,220
U.S. Government life insurance	7,323	6,770	6,060	-710
Service-disabled veterans insurance fund	0	0	0	0
Veterans reopened insurance fund	0	0	0	0
Veterans special life insurance fund	0	0	0	0
Servicemembers' group life insurance fund	0	0	0	0
National cemetery gift fund	0	0	0	0
<b>Total trust funds (gross)</b>	<b>1,249,735</b>	<b>1,242,053</b>	<b>1,228,841</b>	<b>-13,212</b>
<b>Veterans housing benefit program fund liquidating account</b>	<b>-45,000</b>	<b>-61,371</b>	<b>-48,606</b>	<b>12,765</b>
<b>Intragovernmental transactions</b>				
Post-Vietnam era veterans education account	-771	-705	-674	31
National service life insurance	-899	-1,060	-890	170
<b>Total Intergovernmental transactions</b>	<b>-1,670</b>	<b>-1,765</b>	<b>-1,564</b>	<b>201</b>
<b>Total Department of Veterans Affairs</b>	<b>\$69,072,178</b>	<b>\$70,378,917</b>	<b>\$77,746,770</b>	<b>\$7,367,853</b>

<b>Outlays (Net)</b> (dollars in thousands)				
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Increase (+) Decrease (-)</b>
<b>Federal funds:</b>				
<b>Benefit programs:</b>				
Disability compensation benefits	\$30,876,810	\$31,335,021	\$30,924,566	-\$410,455
Proposed 2.6 Percent COLA increase in 12/1/2006	0	0	590,293	590,293
Pensions benefits	3,663,491	3,499,594	3,279,040	-220,554
Burial Benefits	153,340	174,798	184,649	9,851
Education Benefits	2,353,776	2,646,677	2,750,574	103,897
Vocational rehabilitation and employment benefits	582,813	614,830	656,914	42,084
Insurance benefits	44,649	45,907	49,850	3,943
Veterans housing benefit program fund liquidating account	-76,577	-59,734	-48,606	11,128
Housing program account benefits	1,889,368	63,419	42,892	-20,527
Credit Reform	144,912	151,128	151,107	-21
Service-disabled veterans insurance fund	-6,281	4,761	1,306	-3,455
Veterans reopened insurance fund	19,840	25,878	26,420	542
Servicemembers' group life insurance fund	-21	-10	-20	-10
<b>Total benefit programs</b>	<b>39,646,120</b>	<b>38,502,269</b>	<b>38,608,985</b>	<b>106,716</b>
<b>Medical programs:</b>				
Medical services	20,497,910	22,578,713	24,958,086	2,379,373
Medical care collections fund	2,095,929	1,955,454	2,419,836	464,382
Proposed legislation			-795,509	-795,509
Total medical services	22,593,839	24,534,167	26,582,413	2,843,755
Medical administration	3,181,744	2,942,422	3,091,917	149,495
Medical facilities	2,954,872	3,269,184	3,508,662	239,478
Medical and prosthetic research	381,150	400,260	395,598	-4,662
Canteen service revolving fund	-5,813	1,439	-120	-1,559
<b>Total medical programs</b>	<b>29,105,792</b>	<b>31,147,472</b>	<b>33,578,470</b>	<b>3,226,507</b>
<b>Departmental Administration</b>				
General Administration	222,131	284,782	302,938	18,156
VBA GOE	961,049	1,043,899	1,111,342	67,443
National Cemetery Administration	145,384	145,254	155,993	
Construction-Major	146,041	409,906	455,688	45,782
Construction-Minor	214,363	224,016	205,865	-18,151
Grants for State Extended Care Facilities	96,780	92,422	94,032	1,610
Grants for State Cemeteries	22,510	22,640	28,082	5,442
Information Technology	731,605	691,877	1,156,500	464,623
Office of Inspector General	65,184	67,087	67,617	530
Franchise fund	-14,880	0	0	0
Supply fund	357,915	0	0	0
Pershing hall revolving fund	-45	-45	-45	0
<b>Total GOE &amp; Miscellaneous</b>	<b>2,948,037</b>	<b>2,981,838</b>	<b>3,578,012</b>	<b>585,435</b>
<b>Total appropriations &amp; funds</b>	<b>71,699,949</b>	<b>72,631,579</b>	<b>75,765,467</b>	<b>3,918,658</b>

<b>Outlays (Net)</b> <i>(dollars in thousands)</i>				
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Increase (+) Decrease (-)</b>
<b>Proprietary receipts from the public:</b>				
GI Bill	-197,800	-197,800	-197,800	0
Downward reestimates				
Veterans housing benefit fund guaranteed loan	-787,158	-1,107,907	0	1,107,907
Veterans housing benefit fund loan sale securities	-31,468	-67,641	0	67,641
Veterans housing benefit fund direct loan	-200,059	-112,584	0	112,584
Native American veterans program account	-2,002	-2,964	0	2,964
Vocational rehabilitation loan program	0	-1	0	1
Negative subsidy:				
Acquired Direct	-3,883	0	0	0
Vendee Direct	-5,696	-8,515	-12,649	-4,134
Veterans housing benefit fund guaranteed loan	-74,364	-115,553	-133,881	-18,328
Native American veteran housing loan program account	-287	-894	-682	212
Medical care collections fund	-1,868,383	-2,053,641	-2,832,778	-779,137
Proposed Legislation				
Increase of pharmacy co-payments	0	0	0	0
Enrollment fees	0	0	0	0
<b>Total proprietary receipts from the public</b>	<b>-3,171,100</b>	<b>-3,667,500</b>	<b>-3,177,790</b>	<b>489,710</b>
<b>Total federal funds</b>	<b>68,528,849</b>	<b>68,964,079</b>	<b>72,587,677</b>	<b>4,408,368</b>
<b>Trust funds:</b>				
General post fund	30,508	31,500	31,423	-77
Post-Vietnam era veterans education account	2,897	2,872	2,251	-621
National service life insurance	1,206,851	1,218,274	1,217,510	-764
U.S. Government life insurance	8,525	8,650	7,680	-970
Veterans special life insurance	-40,256	-17,171	-9,910	7,261
National cemetery gift fund	0	0	0	0
<b>Total trust funds (gross)</b>	<b>1,208,525</b>	<b>1,244,125</b>	<b>1,248,954</b>	<b>4,829</b>
<b>Proprietary receipts from the public</b>	<b>-172,087</b>	<b>-161,973</b>	<b>-145,903</b>	<b>16,070</b>
Post-Vietnam era veterans education account	-608	-223	-183	40
U.S. Government life insurance	0	0	0	0
National service life insurance	-171,479	-161,750	-145,720	16,030
<b>Total trust funds (net)</b>	<b>1,036,438</b>	<b>1,082,152</b>	<b>1,103,051</b>	<b>20,899</b>
<b>Intragovernmental transactions</b>	<b>-1,670</b>	<b>-1,765</b>	<b>-1,564</b>	<b>201</b>
Post-Vietnam era veterans education account	-771	-705	-674	31
U.S. Government life insurance	0			
National service life insurance	-899	-1,060	-890	170
<b>Total Department of Veterans Affairs</b>	<b>\$69,563,617</b>	<b>\$70,044,466</b>	<b>\$73,689,164</b>	<b>\$4,429,468</b>

<b>Functional Distribution of Budget Authority (Net)</b> (dollars in thousands)				
Function and Program	2005	2006	2007	Increase (+) Decrease (-)
<b>704: Veterans housing:</b>				
Veterans housing benefit program fund liquidating account	-45,000	-61,371	-48,606	12,765
Veterans housing benefit program fund program account	1,889,368	59,489	42,892	-16,597
Downward reestimates:				
Veterans housing benefit guaranteed loan	-787,158	-1,107,907	0	1,107,907
Veterans housing benefit fund loan sale securities	-31,468	-67,641	0	67,641
Veterans housing benefit direct loan	-200,059	-112,584	0	112,584
Native American veterans program account	-2,002	-2,964	0	2,964
Negative subsidy:				
Acquired Direct Loan	-3,883	0	0	0
Vendee Direct	-5,696	-8,515	-12,649	
Veterans housing benefit fund guaranteed loan account	-74,364	-115,553	-133,881	-18,328
Native American veterans program account	-287	-894	-682	212
<b>Subtotal, veterans housing</b>	<b>739,451</b>	<b>-1,417,940</b>	<b>-152,926</b>	<b>1,269,148</b>
<b>705: Other veterans benefits and services:</b>				
National Cemeteries Administration	147,784	149,798	160,733	10,935
General post fund	30,926	32,555	33,354	799
General administration	295,180	296,031	312,905	16,874
Office of Inspector General	69,153	69,074	69,499	425
VBA-GOE	1,144,520	1,078,809	1,167,859	89,050
Construction Major	455,130	974,600	399,000	-575,600
Construction Minor	245,476	200,737	198,000	-2,737
Grants for State Extended Care	104,322	85,000	85,000	0
Grants for State Cemeteries	31,744	32,000	32,000	0
Credit Reform	153,765	154,528	154,175	-353
Information Technology	0	1,213,820	1,257,000	43,180
<b>Subtotal, other veterans benefits and services</b>	<b>2,678,000</b>	<b>4,286,952</b>	<b>3,869,525</b>	<b>-417,427</b>
<b>Total, function 700 distribution of Budget</b>				
<b>Authority for the Department of Veterans Affairs</b>	<b>69,072,178</b>	<b>70,378,917</b>	<b>77,746,770</b>	<b>7,371,987</b>
Deduction for offsetting receipts (function 902)	0	0	0	0
<b>Total Department of Veterans Affairs</b>	<b>\$69,072,178</b>	<b>\$70,378,917</b>	<b>\$77,746,770</b>	<b>\$7,367,853</b>



<b>Functional Distribution of Budget Authority (Net)</b> (dollars in thousands)				
Function and Program	2005	2006	2007	Increase (+) Decrease (-)
<b>704: Veterans housing:</b>				
Veterans housing benefit program fund liquidating account	-45,000	-61,371	-48,606	12,765
Veterans housing benefit program fund program account	1,889,368	59,489	42,892	-16,597
Downward reestimates:				
Veterans housing benefit guaranteed loan	-787,158	-1,107,907	0	1,107,907
Veterans housing benefit fund loan sale securities	-31,468	-67,641	0	67,641
Veterans housing benefit direct loan	-200,059	-112,584	0	112,584
Native American veterans program account	-2,002	-2,964	0	2,964
Negative subsidy:				
Acquired Direct Loan	-3,883	0	0	0
Vendee Direct	-5,696	-8,515	-12,649	
Veterans housing benefit fund guaranteed loan account	-74,364	-115,553	-133,881	-18,328
Native American veterans program account	-287	-894	-682	212
<b>Subtotal, veterans housing</b>	<b>739,451</b>	<b>-1,417,940</b>	<b>-152,926</b>	<b>1,269,148</b>
<b>705: Other veterans benefits and services:</b>				
National Cemeteries Administration	147,784	149,798	160,733	10,935
General post fund	30,926	32,555	33,354	799
General administration	295,180	296,031	312,905	16,874
Office of Inspector General	69,153	69,074	69,499	425
VBA-GOE	1,144,520	1,078,809	1,167,859	89,050
Construction Major	455,130	974,600	399,000	-575,600
Construction Minor	245,476	200,737	198,000	-2,737
Grants for State Extended Care	104,322	85,000	85,000	0
Grants for State Cemeteries	31,744	32,000	32,000	0
Credit Reform	153,765	154,528	154,175	-353
Information Technology	0	1,213,820	1,257,000	43,180
<b>Subtotal, other veterans benefits and services</b>	<b>2,678,000</b>	<b>4,286,952</b>	<b>3,869,525</b>	<b>-417,427</b>
<b>Total, function 700 distribution of Budget</b>				
<b>Authority for the Department of Veterans Affairs</b>	<b>69,072,178</b>	<b>70,378,917</b>	<b>77,746,770</b>	<b>7,371,987</b>
Deduction for offsetting receipts (function 902)	0	0	0	0
<b>Total Department of Veterans Affairs</b>	<b>\$69,072,178</b>	<b>\$70,378,917</b>	<b>\$77,746,770</b>	<b>\$7,367,853</b>

<i>Functional Distribution of Outlays</i> (dollars in thousands)				
Function and Program	2005	2006	2007	Increase (+) Decrease (-)
<b>701: Income security for veterans:</b>				
Disability compensation benefits	\$30,876,810	\$31,335,021	\$30,924,566	-\$410,455
Proposed 2.3 Percent COLA increase in 12/1/2005	0	0	590,293	590,293
Pensions benefits	3,663,491	3,499,594	3,279,040	-220,554
Burial benefits	153,340	174,798	184,649	9,851
Insurance benefits	44,649	45,907	49,850	3,943
Service-disabled veterans insurance	-6,281	4,761	1,306	-3,455
Veterans reopened insurance fund	19,840	25,878	26,420	542
Servicemembers' group life insurance fund	-21	-10	-20	-10
National service life insurance	1,206,851	1,218,274	1,217,510	-764
U.S. Government life insurance	8,525	8,650	7,680	-970
Veterans special life insurance	-40,256	-17,171	-9,910	7,261
NSLI & USGLI receipts	-172,378	-162,810	-146,610	16,200
<b>Subtotal, income security for veterans</b>	<b>35,754,570</b>	<b>36,132,892</b>	<b>36,124,774</b>	<b>-8,118</b>
<b>702: Veterans education, training, and rehabilitation:</b>				
Education benefits	2,353,776	2,646,677	2,750,574	103,897
Vocational rehabilitation and employment benefits	582,813	614,830	656,914	42,084
Credit Reform	144,912	151,128	151,107	-21
Post-Vietnam era veterans education	2,897	2,872	2,251	-621
Post-Vietnam era veterans education receipts	-1,379	-928	-857	71
Downward reestimates:				
Vocational rehabilitation loan program	0	-1	0	1
GI Bill receipts	-197,800	-197,800	-197,800	0
<b>Subtotal, veterans education, training and rehabilitation</b>	<b>2,885,219</b>	<b>3,216,778</b>	<b>3,362,189</b>	<b>145,411</b>
<b>703: Hospital and medical care for veterans:</b>				
Medical services	22,593,839	24,534,167	26,582,413	2,048,246
Medical administration	3,181,744	2,942,422	3,091,917	149,495
Medical facilities	2,954,872	3,269,184	3,508,662	239,478
VA/DoD Health Sharing Incentive Fund	0	0	0	0
Medical and prosthetic research	381,150	400,260	395,598	-4,662
Medical care collections fund, receipts	-1,868,383	-2,053,641	-2,832,778	-779,137
Increase of pharmacy co-payments	0	0	0	0
Enrollment fees	0	0	0	0
<b>Subtotal, hospital and medical care for veterans</b>	<b>27,243,222</b>	<b>29,092,392</b>	<b>30,745,812</b>	<b>1,653,420</b>

<b>Functional Distribution of Outlays</b> (dollars in thousands)				
<b>Function and Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Increase (+) Decrease (-)</b>
<b>704: Veterans Housing</b>				
Veterans housing benefit program fund liquidating account	-76,577	-59,734	-48,606	11,128
Housing program account benefits	1,889,368	63,419	42,892	-20,527
Downward reestimates:				
Veterans housing benefit guaranteed loan	-787,158	-1,107,907	0	1,107,907
Veterans housing benefit loan securities	-31,468	-67,641	0	67,641
Veterans housing benefit direct loan	-200,059	-112,584	0	112,584
Native American veterans program account	-2,002	-2,964	0	2,964
Negative subsidy:				
Acquired Direct	-3,883	0	0	0
Vendee Direct	-5,696	-8,515	-12,649	-4,134
Veterans housing benefit fund guaranteed loan	-74,364	-115,553	-133,881	-18,328
Native American veteran housing loan program account	-287	-894	-682	212
<b>Subtotal, veterans housing</b>	<b>707,874</b>	<b>-1,412,373</b>	<b>-152,926</b>	<b>1,278,733</b>
<b>705: Other veterans benefits and services:</b>				
VBA-GOE	961,049	1,043,899	1,111,342	67,443
National Cemetery Administration	145,384	145,254	155,993	10,739
Canteen service revolving fund	-5,813	1,439	-120	-1,559
Supply fund	357,915	0	0	0
General post fund	30,508	31,500	31,423	-77
General Administration	222,131	284,782	302,938	18,156
Construction-Major	146,041	409,906	455,688	45,782
Construction- Minor	214,363	224,016	205,865	-18,151
Grants for State Extended Care	96,780	92,422	94,032	1,610
Grants for State Cemeteries	22,510	22,640	28,082	5,442
Information Technology	731,605	691,877	1,156,500	464,623
National cemetery gift fund	0	0	0	0
Office of Inspector General	65,184	67,087	67,617	530
Franchise fund	-14,880	0	0	0
Pershing hall revolving fund	-45	-45	-45	0
<b>Subtotal, other veterans benefits and services</b>	<b>2,972,732</b>	<b>3,014,777</b>	<b>3,609,315</b>	<b>594,538</b>
<b>Total, function 700 Distribution of Budget</b>				
<b>Outlays for the Department of Veterans Affairs</b>	<b>\$69,563,617</b>	<b>\$70,044,466</b>	<b>\$73,689,164</b>	<b>\$3,663,984</b>
Deduction for offsetting receipts (Function 902)	-735,147	-677,146	-626,076	51,070
<b>Total Department of Veterans Affairs</b>	<b>\$68,828,470</b>	<b>\$69,367,320</b>	<b>\$73,063,088</b>	<b>\$3,695,768</b>

<b>Obligations</b> (dollars in thousands)			
<b>Appropriation/Fund Account</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Federal funds:</b>			
<b>Benefit programs:</b>			
Disability compensation benefits	\$28,793,021	\$31,310,172	\$33,668,093
Proposed legislation (COLA)	0	0	590,293
Pensions benefits	3,401,162	3,495,906	3,564,060
Burial benefits	153,340	174,798	184,649
Education benefits	2,603,094	3,090,185	3,297,718
Post-Vietnam era veterans' education account	2,842	2,805	2,530
Vocational rehabilitation and employment benefits	573,290	616,851	666,188
Insurance benefits	47,220	48,437	51,640
Housing program account benefits	1,885,492	59,444	42,892
Veterans housing benefit program fund liquidating account	24,756	18,391	14,955
Credit Reform	161,936	163,458	161,929
Service-disabled veterans insurance fund	75,382	87,180	90,160
Veterans reopened insurance fund	61,447	62,840	59,780
Servicemembers' group life insurance fund	626,319	1,543,320	855,940
<b>Total benefits programs</b>	<b>38,409,301</b>	<b>40,673,787</b>	<b>43,250,827</b>
<b>Medical programs:</b>			
Medical care	29,708,964	31,997,883	35,002,778
Medical research and support	469,272	473,264	454,000
Medical center research organizations	180,460	180,000	184,000
VA/DoD Health Care Sharing Incentive Fund	5,549	20,000	30,000
Canteen service revolving fund	249,083	251,950	252,125
<b>Total medical programs</b>	<b>30,613,328</b>	<b>32,923,097</b>	<b>35,922,903</b>
<b>National Cemetery Administration:</b>	<b>146,538</b>	<b>153,012</b>	<b>160,890</b>
<b>Departmental administration:</b>			
VBA- GOE	1,410,207	1,410,612	1,436,877
General administration	544,448	386,257	388,819
Pershing Hall revolving fund	37	100	100
Franchise fund	258,287	393,192	426,674
Office of Inspector General	70,174	75,681	72,919
Supply fund	2,338,132	2,590,580	2,693,239
Information Technology		1,241,216	1,282,763
Construction, Major & Minor	880,421	772,285	982,500
Grants for State Extended Care	123,109	85,000	85,000
Grants for State Cemeteries	36,107	32,002	32,000
<b>Total Departmental administration</b>	<b>5,660,922</b>	<b>6,986,925</b>	<b>7,400,891</b>
<b>Total federal funds</b>	<b>74,830,089</b>	<b>80,736,821</b>	<b>86,735,511</b>
<b>Trust funds:</b>			
General post fund	29,560	31,391	32,945
National service life insurance	1,518,229	1,504,740	1,469,110
U.S. Government life insurance	7,729	7,100	6,320
Veterans special life insurance	200,581	218,690	218,290
National cemetery gift fund	64	120	120
<b>Total trust funds</b>	<b>1,756,163</b>	<b>1,762,041</b>	<b>1,726,785</b>
<b>Total Department of Veterans Affairs</b>	<b>\$76,586,252</b>	<b>\$82,498,862</b>	<b>\$88,462,296</b>
<b>Non-Budget</b>			
Veterans housing benefit program direct loan financing account	648,629	606,144	707,012
Veterans housing benefits program loan sale securities financing account	42,873	67,641	551,151
Veterans housing benefit program guaranteed loan financing account	2,059,086	4,113,015	2,863,537
Native American and transitional housing direct loan financing account	12,899	20,167	17,189
Vocational rehabilitation loan financing account	3,273	3,394	3,432
<b>Total Non-Budget</b>	<b>\$2,766,760</b>	<b>\$4,810,361</b>	<b>\$4,142,321</b>

**Department of Veterans Affairs**  
**Discretionary and Mandatory Programs Funding for 2007 - 2011**  
*(dollars in millions)*

	2007		2008		2009		2010		2011	
	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay
<b>Medical Programs</b>										
Medical services	\$24,716	\$23,767	\$24,022	\$23,839	\$23,742	\$23,549	\$23,236	\$23,077	\$23,368	\$23,101
Medical care collection fund	2,833	2,833	2,983	2,983	3,129	3,129	3,272	3,272	3,513	3,513
<b>Subtotal Medical services</b>	<b>27,549</b>	<b>26,600</b>	<b>27,005</b>	<b>26,822</b>	<b>26,871</b>	<b>26,678</b>	<b>26,508</b>	<b>26,349</b>	<b>26,881</b>	<b>26,614</b>
Medical administration	3,177	3,115	3,122	3,054	3,112	3,044	3,078	3,015	3,126	3,047
Medical facilities	3,569	3,509	3,497	3,460	3,480	3,447	3,434	3,403	3,481	3,441
<b>Total Medical care</b>	<b>34,295</b>	<b>33,224</b>	<b>33,624</b>	<b>33,336</b>	<b>33,463</b>	<b>33,169</b>	<b>33,020</b>	<b>32,767</b>	<b>33,488</b>	<b>33,102</b>
Medical and prosthetic research	399	396	391	388	389	384	384	380	389	382
VA/DoD Sharing Incentive Fund	0	23	0	23	0	12	0	4	0	0
<b>Subtotal, Veteran Health Administration</b>	<b>34,694</b>	<b>33,643</b>	<b>34,015</b>	<b>33,747</b>	<b>33,852</b>	<b>33,565</b>	<b>33,404</b>	<b>33,151</b>	<b>33,877</b>	<b>33,484</b>
<b>Benefits Programs</b>										
Housing program account	154	154	151	151	150	150	148	148	150	150
<b>Subtotal, Veterans Benefits Administration</b>	<b>154</b>	<b>154</b>	<b>151</b>	<b>151</b>	<b>150</b>	<b>150</b>	<b>148</b>	<b>148</b>	<b>150</b>	<b>150</b>
<b>Construction</b>										
Construction, Major	399	519	395	591	395	531	394	480	401	421
Construction, Minor	198	211	194	200	193	195	191	191	193	189
Grants for State Extended Care	85	94	83	41	83	68	82	75	83	76
Grants for State Cemeteries	32	27	31	22	31	22	31	22	31	22
<b>Subtotal, Construction</b>	<b>714</b>	<b>851</b>	<b>703</b>	<b>854</b>	<b>702</b>	<b>816</b>	<b>698</b>	<b>768</b>	<b>708</b>	<b>708</b>
<b>Departmental Administration</b>										
GOE	1,481	1,415	1,453	1,425	1,447	1,418	1,428	1,403	1,449	1,417
Office of Inspector General	70	68	69	67	68	67	67	66	68	67
National Cemetery Administration	161	156	158	156	157	155	155	153	157	154
Information Technology	1,257	1,179	1,240	1,245	1,241	1,241	1,232	1,236	1,254	1,246
<b>Subtotal, Departmental Administration</b>	<b>2,969</b>	<b>2,818</b>	<b>2,920</b>	<b>2,893</b>	<b>2,913</b>	<b>2,881</b>	<b>2,882</b>	<b>2,858</b>	<b>2,928</b>	<b>2,884</b>
<b>Total, Discretionary Program with Collections</b>	<b>38,531</b>	<b>37,466</b>	<b>37,789</b>	<b>37,645</b>	<b>37,617</b>	<b>37,412</b>	<b>37,132</b>	<b>36,925</b>	<b>37,663</b>	<b>37,226</b>
<b>Total, Discretionary Program without Collections</b>	<b>35,698</b>	<b>34,633</b>	<b>34,806</b>	<b>34,662</b>	<b>34,488</b>	<b>34,283</b>	<b>33,860</b>	<b>33,653</b>	<b>34,150</b>	<b>33,713</b>
<b>Proprietary receipts</b>										
Medical care collections fund (MCCF)										
MCCF - First party collections	-376	-376	-374	-374	-360	-360	-348	-348	-340	-340
MCCF - Third party collections	-1,304	-1,304	-1,429	-1,429	-1,564	-1,564	-1,695	-1,695	-1,836	-1,836
Parking fees, MCCF	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Compensated work therapy, MCCF	-46	-46	-47	-47	-49	-49	-51	-51	-53	-53
Payments from compensation and pension, MCCF	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Long-term care copayments, MCCF	-6	-6	-7	-7	-7	-7	-7	-7	-7	-7
Pharmaceutical copayments, MCCF	-1,096	-1,096	-1,120	-1,120	-1,143	-1,143	-1,165	-1,165	-1,271	-1,271
Enhanced-use lease proceeds, veterans health services improvement	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<b>Subtotal, Proprietary receipts</b>	<b>-2,834</b>	<b>-2,834</b>	<b>-2,983</b>	<b>-2,983</b>	<b>-3,129</b>	<b>-3,129</b>	<b>-3,272</b>	<b>-3,272</b>	<b>-3,513</b>	<b>-3,513</b>

Department of Veterans Affairs Discretionary and Mandatory Programs Funding for 2007 - 2011 (dollars in millions)										
	2007 (BY)		2008 (BY+1)		2009 (BY+2)		2010 (BY+3)		2011 (BY+4)	
	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay
Mandatory Programs										
Benefits Programs										
Disability compensation & pension benefits	38,007	34,979	40,406	40,212	43,092	42,871	45,784	45,564	48,542	52,182
Readjustment benefits	3,262	3,407	3,590	3,576	3,742	3,727	3,900	3,884	4,066	4,143
Housing program account	43	43	19	19	17	17	49	49	17	17
Veterans housing benefit program fund liquidating account	-49	-49	-39	-39	-31	-31	-27	-27	-21	-21
Insurance benefits	50	50	53	53	55	55	57	57	59	59
Service-disabled veterans insurance fund	0	1	0	0	0	0	0	0	0	0
Veterans reopened insurance fund	0	26	0	27	0	29	0	30	0	30
Service members' group life insurance fund	0	0	0	0	0	0	0	0	0	0
Post-Vietnam era veterans education account	1	2	1	2	1	2	1	2	1	2
National service life insurance	1,189	1,217	1,187	1,224	1,171	1,220	1,153	1,214	1,118	1,190
U.S. Government life insurance	6	8	2	7	1	6	1	6	1	5
Veterans special life insurance fund	0	-10	0	0	0	0	0	0	0	0
Subtotal, Veterans Benefits Administration	42,509	39,674	45,219	45,081	48,048	47,896	50,918	50,779	53,783	57,607
Medical Programs										
Canteen service revolving fund	460	0	0	0	0	0	0	0	0	0
General post fund	33	31	41	37	42	38	43	37	44	38
Subtotal, Medical Programs	33	31	41	37	42	38	43	37	44	38
Departmental Administration										
Supply fund	0	0	0	0	0	0	0	0	0	0
Franchise fund	0	0	0	0	0	0	0	0	0	0
Subtotal, Departmental Administration	0	0	0	0	0	0	0	0	0	0
Proprietary receipts										
GI Bill	-198	-198	-198	-198	-198	-198	-198	-198	-198	-198
Veterans housing benefit program, negative subsidies	-147	-147	-124	-124	-104	-104	-87	-87	-77	-77
National service life insurance fund	-146	-146	-132	-132	-120	-120	-107	-107	-96	-96
Post-Vietnam era veterans education account	-1	-1	-1	-1	-1	-1	-1	-1	0	0
Subtotal, Proprietary receipts	-492	-492	-455	-455	-423	-423	-393	-393	-371	-371
Intragovernmental transactions										
National service life insurance fund	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Post-Vietnam era veterans education account	0	0	0	0	0	0	0	0	0	0
Subtotal, Intragovernmental transactions	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Total, Mandatory Programs	42,049	39,212	44,804	44,662	47,666	47,510	50,567	50,422	53,455	57,273
Total, Department Veterans Affairs	\$77,747	\$73,845	\$79,610	\$79,324	\$82,154	\$81,793	\$84,427	\$84,075	\$87,605	\$90,986

Proposed Legislation (dollars in thousands)												
The following items with budgetary impact are included in the President's legislative program for the Second Session of the 109th Congress												
\$ in thousands	2007		2008		2009		2010		2011		2007 to 2011	
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
Disability compensation benefits: COLA Legislation												
	FY 2007 compensation COLA increase of 2.6 percent effective December 1, 2006 (requesting "such sums as necessary")											
	590,293	590,293	736,532	736,532	762,075	762,075	789,912	789,912	817,148	817,148	3,695,960	3,695,960
Medical Services: Medical Care Cost Sharing Appropriation												
Annual enrollment fee for medical care of \$250 for Priority Level 7 and 8 veterans	(409,965)	(409,965)	(419,673)	(419,673)	(416,898)	(416,898)	(413,970)	(413,970)	(410,639)	(410,639)	(2,071,145)	(2,071,145)
Medical: Collections												
Annual enrollment fee for medical care of \$250 for Priority Level 7 and 8 veterans	225,616	106,040	229,245	227,322	220,654	225,207	212,387	216,769	204,359	208,614	1,092,261	983,951
Total Net Impact	(184,349)	(303,925)	(190,428)	(192,351)	(196,244)	(191,691)	(201,583)	(197,201)	(206,280)	(202,025)	(978,884)	(1,087,194)
Medical Services: Medical Care Cost Sharing Appropriation												
Increase in drug copays from \$8 to \$15 for Priority Level 7 and 8 veterans	(355,048)	(355,048)	(316,237)	(316,237)	(318,847)	(318,847)	(321,343)	(321,343)	(323,178)	(323,178)	(1,634,653)	(1,634,653)
Medical: Collections												
Increase in drug copays from \$8 to \$15 for Priority Level 7 and 8 veterans	288,313	135,507	255,357	272,824	255,254	255,309	255,069	255,167	254,376	254,743	1,308,369	1,173,550
Total Net Impact	(66,735)	(219,541)	(60,880)	(43,413)	(63,593)	(63,538)	(66,274)	(66,176)	(68,802)	(68,435)	(326,284)	(461,103)
Medical Services: Medical Care Third-Party Offset of First-Party Debt Appropriation												
Third-party offset of first-party debt	(30,496)	(30,496)	(34,003)	(34,003)	(37,913)	(37,913)	(42,273)	(42,273)	(47,135)	(47,135)	(191,820)	(191,820)
Medical: Collections												
Third-party offset of first-party debt	30,496	14,333	34,003	32,144	37,913	35,841	42,273	39,962	47,135	44,558	191,820	166,838
Total Net Impact	0	(16,163)	0	(1,859)	0	(2,072)	0	(2,311)	0	(2,577)	0	(24,982)
Total Medical Services:	(795,509)	(795,509)	(769,913)	(769,913)	(773,658)	(773,658)	(777,586)	(777,586)	(780,952)	(780,952)	(3,897,618)	(3,897,618)
Total Medical Collections	544,425	255,880	518,605	532,290	513,821	516,357	509,729	511,898	505,870	507,915	2,592,450	2,324,339
Total Net Impact	(251,084)	(539,629)	(251,308)	(237,623)	(259,837)	(257,301)	(267,857)	(265,688)	(275,082)	(273,037)	(1,305,168)	(1,573,279)

## **Proposed Legislation Summary**

### **Disability Compensation Benefits - Proposed Legislation for 2007 Budget**

**Cost of Living Adjustment (COLA):** Legislation will be proposed to provide a 2.6 percent rate increase to all Compensation beneficiaries, including DIC spouses and children, effective December 1, 2006. A 2.6 percent increase is the expected increase in the Consumer Price Index and it is the same increase estimated for Social Security benefits. The cost of this increase in 2007 is estimated to be \$590 million in the first year.

### **Medical Services - Proposed Legislation for 2007 Budget**

#### **1. Assess \$250 Annual Enrollment Fee For all Priority 7 and Priority 8 Veterans**

##### **Proposed Program Change in Laws**

Allow VA to establish an annual enrollment fee, beginning October 1, 2006, for all Priority 7 and Priority 8 enrolled veterans.

#### **2. Increase Pharmacy Co-Payments from \$8 to \$15 for All Enrolled Priority 7 and Priority 8 Veterans (Effective October 1, 2006)**

##### **Proposed Program Change in Laws**

This proposal would allow VA to raise the medication co-payment amount for Priority 7 and Priority 8 veterans from \$8 to \$15.

#### **3. Third-Party Offset of First-Party Debt**

##### **Proposed Program Change in Laws**

This proposal would eliminate the practice of offsetting or reducing VA first-party co-payment debts with collection recoveries from third-party health plans. Veterans receiving medical care services for treatment of non-service connected disabilities will receive a bill for their entire co-payment, and this co-payment will not be reduced by collection recoveries from third-party health plans.